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ABSTRACT

Drawing on documentary data and surveys of state education officials, this report reviews current federal and state initiatives for disadvantaged, language-minority, and handicapped students in order to help states assess their options in light of the recent consolidation of federal education programs. The author notes different states' approaches and provides information on federal and state resources. Part 1 presents an overview of federal and state involvement in special-needs programs and discusses federal goals and objectives, state actions since 1965, and state financing mechanisms. Parts 2-4 cover federal and state programs and state funding approaches in compensatory, bilingual, and special education, respectively. State eligibility criteria for compensatory and special education programs are also examined in parts 2 and 4, while part 3 focuses on state legislation for bilingual programs. In the final part the author assembles national and state-by-state data on funding levels and analyzes past and future trends in federal and state support for special-needs programs. (Author/RW)

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State and Federal Programs for Special Student Populations

EA 014 961

State and Federal Programs for Special Student Populations

Report No. F82-2

By C. Kent McGuire

Education Finance Center
Education Programs Division
Education Commission of the States
Denver, Colorado

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April 1982

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Executive Summary

Since 1965, both the federal and state governments have developed education programs for special student populations, particularly for economically disadvantaged, language minority and handicapped students. The rationale for federal involvement in elementary and secondary education was initially the perception that state and local governments had not adequately addressed the needs of special groups of students. Today, all states have at least one state-funded program for special need students and nearly half the states have two or more programs. The consolidation of federal education initiatives recently enacted by the Reagan Administration suggests major changes in the structure of federal program initiatives as well as an increased emphasis on the state role in determining the services to be provided to these groups of students.

The anticipated shift to greater state involvement in programs for disadvantaged, language minority and handicapped students points up the need for a review of current federal and state level initiatives for these groups of students. Such a review is important in assessing state options to special need students and in thinking about alternative ways to restructure the federal/state/local partnership role. This report represents the most recent overview of federal and state level initiatives in compensatory, bilingual and special education. It highlights differences among states in their approaches to these programs and provides information on federal and state resources devoted to special need students.

Federal and State Involvement in Programs for Special Student Populations

Federal Role

Historically, an emphasis on equal opportunity and civil rights has motivated federal education initiatives for economically disadvantaged, language minority and handicapped students. Recent history indicates that:

- Federal programs for language minority and handicapped students have been influenced by court action. Many of the pro-

gram mandates under Title VII ESEA (The Bilingual Education Act) and P.L. 94-142 (The Education for All Handicapped Children Act) reflect court decisions that mandate a responsibility to provide equal education opportunities for these groups of students.

- Even though compensatory education has not been required by court mandate, the federal Title I program (now Chapter I Education Consolidation and Improvement Act (ECIA) of 1981) was conceived as a major component of the network of programs developed during the "War on Poverty." One of its major purposes has been to promote education opportunities for low income, low achieving students.
- The federal government has also enacted civil rights legislation to prevent discrimination against special groups of students. Failure to comply with regulations governing federal education programs can lead to loss of federal aid.
- In short, federal involvement in education has been two-fold. Numerous programs have been developed to meet the education needs of special students and laws have been enacted to promote the educational opportunities of these students.

State Role

States are primarily responsible for education in the United States. State constitutions require state legislatures to establish and maintain public school systems. Although substantial control over public education has historically been delegated to local governments, the events of the last 15 years are evidence of a greatly expanded state role in elementary and secondary education generally, and in developing programs for special need students in particular. For example:

- State governments have been given primary responsibility for administration of federally funded education programs, which has in turn greatly expanded state presence and influence at the local level.
- State school finance reforms have resulted not only in more equitable methods of distributing state aid, but also in substantial increases in total state resources directed to education. The dramatic increase in state funding has been accompanied by greater state control over the taxing authority and/or budgets of local school districts.
- States now classify children in a variety of ways and mandate services and standards for the various categories of students. Usually, school districts must indicate how state funds will be

used in meeting education goals and objectives specified by the states. Thus states, once considered weak links in the intergovernmental network, now wield considerable influence over education policy and practice.

Compensatory Education

Federal Programs

Since 1965, the federal government has provided financial assistance to state and local education agencies to serve educationally deprived children. Federal funds have provided compensatory education programs for low income, neglected and delinquent, handicapped and migrant students in more than 14,000 school districts across the country. It should be noted that:

- Title I of the Elementary and Secondary Education Act (ESEA), the major federal education program for disadvantaged youth, has been repealed by the ECIA. Chapter 1 of the new act replaces Title I, effective July 1, 1982.
- Chapter I retains the categorical structure of Title I. The formula for allocating federal funds to state and counties is identical to that used under Title I. Chapter I also incorporates many of the Title I programmatic requirements. However, this is accomplished through nonbinding guidelines rather than through regulations.

State Programs

A majority of state programs in compensatory education appear to have followed, and in many instances are patterned after, Title I. Generally, state programs channel funds to the same type of pupils and provide similar services as are provided in Title I programs:

- Fifteen states have state-financed compensatory education programs with statutory provisions describing services to be provided, children to be served and procedures for monitoring and evaluation. Nine states provide extra revenues to school districts in recognition of high concentrations of economically disadvantaged students.
- There are differences among the states regarding program guidelines, eligibility requirements for schools and students and

the use of state funds. Some states exert considerable influence over such matters while others leave most program decisions to local discretion. In general, state programs focus on remediation in basic skills and serve low achieving Title I eligible pupils.

- States generally provide funding for compensatory education through a formula. Eight states allocate a flat grant per pupil, 9 states use a pupil weighting system and 7 states distribute funds through project grants — either competitive or noncompetitive.

Bilingual Education

Federal Programs

Through Title VII of the Elementary and Secondary Education Act (ESEA), the federal government provides funds to states and local school districts to assist in the education of language minority students:

- Title VII remains a freestanding program unaffected by the Education Consolidation and Improvement Act of 1981.
- Federal grants for bilingual education programs are allocated directly to local school districts, based on competitive grant proposals submitted to the Department of Education.

State Programs

The growth in state bilingual education programs occurred in the wake of federal initiatives in this area. Court action has also been an important factor. Following the *Lau* decision in 1974, numerous state legislatures passed statutes mandating bilingual education. Currently:

- Thirty states have enacted legislation either mandating or permitting bilingual instruction. Of these, 22 provide funds to assist local school districts in developing and operating programs.
- A key distinction is whether a state program is considered transitional or bilingual/bicultural. Transitional programs, the approach taken in most states, are those geared exclusively to the acquisition of a level of proficiency in English after which time students are no longer eligible to participate in the program. Bilingual/bicultural programs are designed to involve both limited-English-proficient and English-dominant students.

- Some states give priority to certain grade spans, limit the length of participation in a program, provide for preschool and summer programs or call for the establishment of parent or citizen advisory councils.
- States provide aid for bilingual education in ways similar to those used to distribute aid for compensatory education. Five states use pupil weights, 4 states award flat grants per pupil, 3 states allocate instructional units, 3 states reimburse school districts for excess costs and 3 award project grants — either competitive or noncompetitive.

Special Education

Federal Programs

Federal involvement in programs for the handicapped began in 1965 when funds were provided through Title I ESEA for state operated and supported schools for handicapped children. In 1967, amendments to the Elementary and Secondary Education Act made funds available for due process procedures in the placement, assessment and testing of handicapped children. The Education for All Handicapped Children Act (P.L. 94-142), passed in 1975, greatly increased the federal presence in education of the handicapped. This law:

- Requires that states provide a free, appropriate education to all handicapped children.
- Provides formula grants to states to assist state and local education agencies in carrying out the intent of the law.
- Has not been incorporated into the Education Consolidation and Improvement Act. For the 1981-82 school year, $900 million was appropriated for the education of the handicapped.

State Programs

The states led the way in developing programs for handicapped children. A few states had laws pertaining to special education as early as the 1920s. A new sensitivity to the rights of the handicapped spurred the rapid development of state special education programs in the 1970s. Unlike compensatory and bilingual education, there is greater uniformity in state legislation for handicapped children, due in part to the influence of P.L. 94-142. All states mandate service for handicapped children ages 5-17 and all states pro-

vide funding for special education programs. However, several distinctions among the states do exist:

- States classify handicapped pupils differently. Many classify pupils according to handicapping condition, often following federal definitions under P.L. 94-142. Some states classify children according to the service provided.
- Some states mandate that special education services be extended to preschool children and high school graduates up to a certain age. Other states encourage through permissive legislation that these age groups receive special education services.
- States use three basic approaches to fund special education programs. Thirteen states use pupil weights, 14 states allocate instructional units and 15 provide state aid for the excess costs of special education programs.
- States use federal funds differently. Some states use federal funds primarily for the provision of related services such as inservice teacher training or diagnostic services. Other states pass most federal dollars on to local school districts to be used for the provision of direct special education services.

Trends in Federal and State Support for Special Student Populations

The fiscal expansion for public elementary and secondary education that occurred during the 1970s will be difficult to match during the 1980s, from either federal or state sources. From all levels of government, funds for education declined in real terms between 1980 and 1981.

Federal Support for Special Student Populations

Over the 15-year period from 1965 to 1980, federal appropriations for various populations of special need students grew to nearly $7 billion. For the 1981-82 school year, $3.1 billion was appropriated under Title I ESEA, $900 million was appropriated under P.L. 94-142 and $135 million was appropriated for Title VII (ESEA). Projections of federal funding for these programs over the next few years suggest that:

- A major change may be under way to shift substantial authority and responsibility for federal education program initiatives to the state level. Overall, the current Administration's budget proposals show a decrease in federal funding of elementary and secondary education through FY 1984.
- The reduction in funds may be coupled with the consolidation of previously freestanding categorical programs, signaling a diminished federal role programmatically as well as fiscally. Chapter II of the Education Consolidation and Improvement Act of 1981 consolidates 29 previously separate federal aid programs into a single block grant.

State Support for Special Student Populations

While state program initiatives for special student populations have continued to grow during the 1970s, state aid for special need students has slowed considerably in recent years. The tight budgets of many state governments in the last two years may have contributed to this trend. In particular:

- Total state funding levels for compensatory education have remained relatively constant in most states, implying a decline in state spending for these programs in real terms.
- State revenues for bilingual education have remained relatively constant between 1975-1980, suggesting a decline in real revenues available.
- State revenues for special education have increased at a faster rate than funding for compensatory and bilingual education. A major reason for this may be the influence of the federal law (P.L. 94-142) which prescribed broad service mandates for state and local governments regarding the education of handicapped children.
- States face uncertainty about their budgets, heading into FY 1982. The future of state commitments to special student populations may depend on (1) tradeoffs between education spending and spending for other public services and (2) state policy decisions about the mix of educational services offered by the state education dollar.

Introduction

Early in 1981 the Reagan Administration announced that in 1982 it intended to make substantial revisions in the way federal aid for education is distributed to state and local governments. The most recent changes mainly affect a collection of smaller grant-in-aid programs although the impact of these changes is not to be minimized. However, future proposals may include consolidation of federal initiatives in one or more of three major program areas: compensatory education, bilingual education and the education of the handicapped.

As the structure and scope of the federal role in education is reconsidered, an overview of existing state and federal involvement in programs for special student populations, both fiscal and programmatic, provides a useful context to examine the implications for the states of these important changes. Such information can offer meaningful insights to state and federal policy makers about the key variables that influence the distribution of education resources for specific types of programs (e.g., compensatory education compared to education for the handicapped).

In 1965 the federal government began to develop programs focused on special pupil populations that they viewed as currently underserved. In the 1970s the states too substantially increased their activities in this area. By the end of the seventies, both the states and the federal government had enacted numerous programs serving special populations.

While a considerable body of information has been collected and reviewed concerning federal involvement in elementary and secondary education in recent years, no single document exists that (1) describes state-level initiatives on behalf of special need students and (2) compares the various state efforts to the federally created programs. This report provides such a document. It reviews the extent of federal and state involvement in programs for special student populations and discusses the state funding structure for these programs. Compensatory education, bilingual education and special education populations are examined individually, highlighting the range and nature of structural differences between federal and state initiatives. Past and future trends in federal and state support are also presented.

A substantial amount of the data analyzed in preparing this report was generated through national surveys of state education officials

conducted by the Education Finance Center of the Education Commission of the States. Information on compensatory education was obtained from a comprehensive survey of state directors of compensatory education in states having such programs and of state Title I directors in other states. Similarly, state department of education personnel associated with bilingual education were asked to respond to a questionnaire on various aspects of bilingual education. Information on state special education programs was collected through a survey of state directors of special education with some supporting data supplied by the National Association of State Directors of Special Education (NASDE). All data collected cover the 1980-81 school year. Data obtained from previous ECS surveys of compensatory and bilingual education programs for the 1978-79 and 1979-80 school years were also used in the analysis.

I. Federal and State Involvement in Programs for Special Student Populations

During the past 15 years, federal and state involvement in elementary and secondary education has significantly affected programs serving special student populations. Federal emphasis on equal opportunity and civil rights has motivated major federal education initiatives for disadvantaged, language-minority and handicapped students. From the beginning of the seventies, state programs have increased dramatically. The following discussion briefly examines the underlying objectives of the federal role in special needs programs since 1965, state goals and objectives for such programs and state funding systems for regular and special programs.

Federal Goals and Objectives

The federal presence in education cannot be viewed solely as an effort to improve educational opportunities for minority and/or disadvantaged students, although those are the fundamental objectives of major federal education initiatives. Indeed, federal involvement in education may be seen as one aspect of the "War on Poverty," which is an issue much broader than education and represents an effort also to improve employment and housing opportunities. In education, as well as other areas, the federal government has made a consistent commitment to guaranteeing for all citizens, the full exercise of their civil rights. Thus, the federal presence in education has had multiple objectives and has been tied to similar ongoing efforts in other federal programs.

Equal Opportunity Program Initiatives

One view of equality of educational opportunity states that every child has equal access to educational facilities, services and programs. Under this view, if a child has some special education need, the school is expected to provide those programs and services that are necessary to insure that the pupil participates equally with other children, insofar as possible. Through an array of program initia-

tives, federal funds have been available to enhance the educational opportunities of special student groups. Funds for bilingual education programs have been provided to help limited-English-proficient students learn a subject while they are also learning English. Funding for compensatory education programs has been provided to help children overcome the education disadvantagement that is believed to result from poverty. Federal funds for the education of the handicapped have also been provided to help enhance the educational opportunities of these children.

Federal program initiatives have been influenced by court action. The recent history of special education includes a series of court cases that have resulted in mandates, which state and local officials must meet, to provide a free and appropriate education for handicapped students. The provisions of P.L. 94-142, the major source of federal funding for special education, are responsive to those mandates.

Similarly, the courts have mandated that school officials must provide an appropriate education for limited-English-proficient students. Although a number of programmatic responses are possible, school systems have often implemented transitional bilingual education programs that allow students to progress through the basic school curriculum in their native language until they become proficient in English. At the federal level, funding for bilingual education has been provided through Title VII of the Elementary and Secondary Education Act (ESEA).

Even though compensatory education has not been required by court mandate, it represents a major component of the network of federal programs that developed during the "War on Poverty." Title I of the Elementary and Secondary Education Act of 1965 (now Chapter I of the Education Consolidation and Improvement Act of 1981) has been the major source of funding for compensatory education. Head Start, another federal education initiative, provides compensatory education programs for preschool children from low-income families.

Other federal education programs are also designed to promote this concept of equal educational opportunity. The restructured federal aid for vocational education, places greater emphasis on meeting the needs of special populations. Funds provided through the Comprehensive Employment and Training Act (CETA) have been directed toward disadvantaged high school students, providing them with employment training opportunities. Federal funds are specifically provided for Native American students attending public schools, under the Johnson O'Malley Act of 1934, Indian Education Act (P.L. 92-318) and the Indian Self Determination and Education Assis-

tance Act (P.L. 93-638). Special services are also provided to insure continuity in the education of migrant students, including the computerized Migrant Student Record Transfer System (MSRTS), funded under ESEA.

Civil Rights Legislation

The federal government has also enacted legislation to prevent discrimination on the basis of handicapping conditions, race, sex or national origin. Civil rights laws are not ordinarily regarded as federal programs since they do not directly affect the federal budget. However, in many respects they are indistinguishable from federal grant programs in that they require state and local governments to provide certain services for students. Failure to comply with regulations governing education programs, such as Title I of ESEA, can lead to funding cutoffs for that particular program. However, failure to comply with regulations designed to protect the civil rights of different student groups can lead to the loss of all federal education aid. The Office for Civil Rights is empowered to conduct routine compliance reviews and to investigate compliance with federal requirements by all recipients of federal education aid — school districts, states, postsecondary institutions.

The civil rights of handicapped students are guaranteed by Sec. 504 of the Rehabilitation Act of 1973.

> . . . no otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance.

The primary objective of Section 504 is to bring handicapped persons into the mainstream of life.* In education, Section 504 guarantees the rights to a free appropriate education for all handicapped individuals; this mandate is incorporated in P.L. 94-142. Under Section 504 and P.L. 94-142, state and local agencies are responsible for identifying, locating and evaluating handicapped children, and for

*The law pertains to many areas not directly related to public schools, including employment of the handicapped and removal of architectural barriers. For example, employers are prohibited from discriminating against any qualified job applicant on the basis of a handicap.

They also must make the appropriate modifications of facilities to accommodate the qualified handicapped person.

placing and referring them appropriately. State and local agencies are also responsible for the development of procedural safeguards that enable parents and guardians to influence decisions regarding the evaluation and placement of their children.

Section 504 and P.L. 94-142 differ in that only the latter provides federal assistance to meet program objectives. By complying with the program regulations of P.L. 94-142, the Education of All Handicapped Children Act, recipients of federal funds are also considered to be in compliance with Sec. 504. Thus most school districts, by meeting federal requirements for special education dollars, also satisfy civil rights requirements.*

The civil rights of language minority students were first addressed in Title VI of the Civil Rights Act of 1964, which bars discrimination on the basis of "race, or national origin." Soon after passage of the statute, the right of private individuals to sue for enforcement was established. Initially, Title VI focused on issues of race discrimination and served as the cornerstone of school desegregation litigation. However, in 1968 the Department of Health, Education and Welfare promulgated Title VI regulations and guidelines pertaining to the schooling of children of national-origin minority groups. Subsequently, Title VI was applied in *Lau v. Nichols* (414 U.S. 563, 1974), a class action suit brought by Chinese parents who argued that the San Francisco school system failed to provide language minority students with an adequate education program. In that case, the Supreme Court ordered the San Francisco school system to provide English language training to Chinese-American students who were not proficient in English.

Civil rights guarantees similar to those for handicapped and language minority students do not exist for educationally disadvantaged youth. The courts have not mandated compensatory education for educationally deprived students and Congress has never considered civil rights legislation relating specifically to this group of students. This is not to suggest that there is no concern for the rights of educationally deprived students at the federal level. The massive commitment of federal funds under Title I has been evidence of a national commitment to the educationally disadvantaged for many years.

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*It is, however, possible to satisfy Sec. 504 requirements without participating in P.L. 94-142, and one state, New Mexico, has elected to do so. In *New Mexico Association for Retarded Citizens v. State of New Mexico*, 495 F. Supp. (D. New Mex., 1980), the court held that the State was obligated to provide special education services even though it refused federal funds under P.L. 94-142.

To summarize, federal involvement in education is both a carrot and a stick. On the one hand, numerous programs provide funds to meet special education needs. On the other hand, laws are designed to prohibit discrimination, with the threat that failure to comply can lead to a cutoff of federal aid. The programs are administered by a variety of line agencies, mainly in the Department of Education. The civil rights legislation is enforced by the Office for Civil Rights. Both are administered through regulations or guidelines that interpret the provisions of the specific legislation and/or reflect the findings and mandates of the courts.

State Involvement in Education Since 1965

Constitutionally and historically, the states are primarily responsible for education in the United States. State constitutions require state legislatures to establish and maintain systems of free public schools. State legislative bodies have in turn delegated substantial control over the development of public school systems to local governments, giving them power to levy a local tax to support public schools. Although states mandate certain education standards, such as minimum days of school attendance, teacher licensure and various prescriptions for school curriculum, local school districts have considerable latitude in developing both education policy and practice. Nevertheless, the events of the last 15 years show a greatly expanded state role in elementary and secondary education, both fiscally and programmatically. Three major areas are state administration of federal categorical grants, state school finance reform activities and state level mandates of services for special student populations.

Influence of Federal Education Initiatives

The Elementary and Secondary Education Act required that state education agencies review and approve local applications for most federally funded education programs. States have also been responsible for monitoring and evaluating federal program initiatives. In most instances, a portion of federal funds are set aside for state administration purposes, allowing state education agencies to grow considerably in staff and sophistication. One result has been a dra-

matic increase in the capacity of state education agencies to intervene in local education affairs (Murphy, 1981, p. 127).

Influence of School Finance Reform Activities

The school finance reforms of the 1970s, which occurred in at least 25 states, led not only to new and more equitable approaches for distributing state aid but to substantial increases in total state resources devoted to education. During the seventies state revenues increased from $17 billion in 1970 to $50 billion in 1980. Adjusted for inflation this represents a 44 percent increase over the 10-year period. Currently, state governments provide nearly 50 percent of all revenues available for public elementary and secondary education compared to 40 percent in 1970.

Associated with this dramatic increase in state funding are state restrictions on the ability of school districts to raise money locally. These restrictions have generally taken the form of direct revenue or expenditure limits, tax rate limits or requirements that school district budgets be approved by the state annually.* As more state funds have been provided to achieve greater equity in available school resources, many states have attempted to influence local spending decisions to assure efficient use of public funds.

Development of Special Student Programs

As a result in part of federal initiatives and school finance reform, many states now classify children in a variety of ways and mandate services and standards for the various categories of students. At least 15 states have enacted statewide compensatory education programs and 30 states have legislation either permitting or mandating bilingual education programs. All 50 states mandate that handicapped children between the ages of 5-17 receive special education services. Along with new program initiatives, some states have developed accountability standards for local school districts by placing certain restrictions on the use of state funds for special programs. Usually, school districts must submit detailed applications that indicate how

*For a compilation of state restrictions on local finances, see *School District Expenditure and Tax Controls* (Denver, Colo.: Education Finance Center, Education Commission of the States, August 1978).

state funds will be spent and the number of children to be served under a particular program. Some states control the distribution of state funds within school districts as well as the testing and assessment practices and procedures for evaluating the program.

Thus states, once considered weak links in the intergovernmental network, now wield considerable influence over education policy and practice. Their influence manifests itself not only through the commitment of vast financial resources but also through a variety of programmatic guidelines and mandates designed to insure that local school district programs are consistent with state and federal education goals and objectives.

State Finance Mechanisms for Regular and Special Programs

An important aspect of the state role in elementary and secondary education not discussed above is the way states distribute funds to local school districts. Three goals characterize the state approaches to the financing of elementary and secondary education. Foremost, states attempt to compensate for differences in school district wealth by developing funding approaches that consider differing abilities to raise revenues locally. By making adjustments to their school funding formulas, states also compensate for unique conditions existing in certain school districts (e.g., size or geographic location) that contribute to higher education program costs. In addition, states compensate for differences in the educational needs of students by adjusting their general school finance systems or by developing alternative funding schemes for specific types of programs.

General Aid Structures

The general aid structures that have been enacted to accomplish these goals can be grouped into three broad categories: *High level foundation programs* guarantee a specific dollar amount per pupil (.e.g., Alabama, Florida, Indiana, Iowa, Massachusetts and Virginia). *Percentage equalizing, guaranteed tax base* or *guaranteed yield programs* provide equal resources from state and local sources for equal tax effort (e.g., Colorado, Michigan and Wisconsin).* *Foun-*

*See Kent McGuire and Patty Flakus, *School Finance at a Sixth Glance* (Denver, Colo.: Education Finance Center, Education Commission of the States, December 1981).

dation programs that are *augmented* by *guaranteed tax base* or *guaranteed yield programs* establish a guaranteed base amount and provide additional equalized aid for districts choosing to spend above the foundation level (e.g., Maine, Minnesota, Missouri and Utah).

The difficulties encountered in translating school finance goals into specific funding systems explain why no one approach is generally preferred over others. Certain school funding mechanisms are better suited to accomplish different goals. For example, if a goal is to provide equal dollars per pupil, a state might choose a high foundation approach with restrictions on local supplements. If a goal is to equalize local ability to raise equal revenues for equal tax effort, a state may select the guaranteed tax base or guaranteed yield approach.

Funding Structures for Special Student Programs

The relationship between these general aid structures and the approaches used to fund programs for special student programs is important. Sometimes funds for students with special needs are distributed within the general aid structure. For example, when pupil weights are used, the amount of money received per regular pupil is multiplied by a factor or "weight" that varies to reflect differences in the costs of providing special services. Similarly, state aid based on teacher or classroom units used in providing needed services or programs can be provided from within the general aid structure.

In other cases, state funds for special programs are allocated outside the general aid structure. This occurs when states reimburse local school districts for all or some portion of the costs of a special program or when states provide flat grants per pupil for special programs or services. Approaches such as these are generally considered categorical aids. State funds flow to school districts independent of the general aid system, usually on the basis of identified categories of students or services. As with the federal categorical grants, states may place specific requirements on how such funds are expended.*

*States may require, for example, that state aid for a special program be tracked to the pupil receiving the service and that detailed reporting systems be implemented to assure the requirement is being met. Similar systems have been implemented even when state funds for special student programs are provided from within the general aid system.

Again, no one approach is generally preferred over others. Supporters of categorical aid structures feel this method is preferable to aid provided through the general aid system when there is a concern about serving specific groups of students adequately. However, critics argue that state aid distributed outside the general aid system might not support the equalization goals of that system.

Distributing state aid for special student programs through the general aid structure has certain advantages. Most important, when the general aid structure appropriately considers differences in needs and costs, the overall equalizing nature of the state aid system is enhanced. Yet it is also evident that unless certain requirements are enforced regarding the use of state funds — particularly funds earned for special purposes — certain groups of students might not be uniformly served throughout the state. Thus, aid systems without restrictions may not include the necessary safeguards to assure that state funds are being spent for their intended purposes.

In summary, state concern with the adequacy of state education systems and with insuring equal education opportunities for all school children is reflected in the level of state funding for education and in the approaches taken in distributing state aid, and in various service mandates. States have focused on reducing wide differences in expenditures per pupil and/or tax burdens that exist among school districts. Fine tuning of general aid systems to address the unique circumstances of individual school districts is now commonplace.

Finally, the states have established their role in addressing the needs of special student populations, either by prescribing the kinds of services to be made available to special need students, by allocating funds for special programs or by combinations of these efforts.

II. Compensatory Education Programs

Federal Programs

Since 1965 the federal government has pursued an active role in supporting education at the elementary and secondary level, especially through Title I of the Elementary and Secondary Education Act (ESEA). Federal funds have been provided for compensatory education programs for low income, neglected and delinquent, handicapped and migrant students in over 14,000 school districts across the country. The Education Consolidation and Improvement Act of 1981 repeals Title I ESEA and replaces it with a new Chapter I, to become effective July 1, 1982. However, Chapter I of the new Act contains the same funding formula and the same general purposes as Title I ESEA. For 1981-82, state and local education agencies must continue to comply with existing Title I requirements (e.g., comparability reporting and maintenance of effort). However, under Chapter I there will be an effort to reduce federal supervision, direction and control over the administration of the program. Thus, the federal government will attempt to maintain the spirit and intent of Title I through nonbinding guidelines rather than through regulation wherever possible. Since Chapter I does not go into effect until July 1982, in the remainder of this text the major federal program for the educationally disadvantaged shall be referred to as Title I ESEA.

Title I funds are intended primarily to provide compensatory education services for low-achieving children in areas with large numbers of poor children. Regulations specify fairly clearly the steps involved in reaching this goal. Local education agencies (LEAs) are responsible for identifying eligible schools on the basis of poverty areas served and eligible students on the basis of achievement. From the eligible student population those in greatest need are to be given service priority. State education agencies (SEAs) have enforcement and monitoring responsibilities.

At present, Title I funds go to counties according to federally determined counts of low income students. Per pupil allocations are based on the average per pupil expenditure in the state. SEAs suballocate Title I funds on the basis of the best available data on the number of children from low income families currently residing in each LEA. SEAs submit applications for Title I funding every three years. LEAs are required to submit applications to SEAs on a three-year basis,

although some states require annual applications. For the 1981-82 school year, $3.1 billion was appropriated under Title I and an estimated six million students were served.

State Programs

The majority of state compensatory education programs appear to have followed and in many instances are patterned after the federal Title I program. A few states have legislation that explicitly ties their programs to Title I. An implicit connection is made in other states since the factors used in allocating funds to local school districts are identical to those used in making Title I allocations. In general, state programs channel funds to the same type of pupils and provide the same type of services as are provided in Title I programs.

The school finance reform movement also has served to highlight the special problems in some urban school districts where high concentrations of economically and educationally disadvantaged students reside. As early as 1970, 11 states chose to make adjustments in their general aid formulas to provide extra funds to school districts in recognition of high concentrations of low income and/or low achieving pupils. Of these 11 states, 6 had enacted state compensatory education programs.

Whether a state has a program in compensatory education is largely a matter of definition. Previous works (e.g., Odden and McGuire, 1980) define a state program as being made up of two components. In addition to allocating funds to school districts for remedial instruction, such programs have statutory provisions describing the types of services to be provided, children to be served and procedures for monitoring and evaluating the program. Under this definition, 15 state-financed compensatory education programs have been identified. In addition, 9 states provide extra revenues to school districts in recognition of high concentrations of educationally or economically disadvantaged students. The following discussion treats all 24 programs.

No two state compensatory education programs are identical. The wide ranges of state guidelines, eligibility requirements, flexibility in use of funds and definition of terms make it difficult to organize these programs under a single format. In presenting the various approaches to compensatory education taken by the states, this discussion will focus on three key elements of all state programs: school

and student eligibility criteria, LEA requirements and funding approaches. No attempt is made here to describe each state's program in detail. Instead, particular states are chosen to illustrate the variety of fiscal and programmatic approaches among states.

Eligibility Criteria for for Schools and Students

In a majority of states the target student population consists of low achieving pupils as measured by either local or statewide achievement test. However, variation occurs among states regarding schools and students actually served(see Table 1, pp. 18-24). Many states give priority to Title I eligible schools, using Title I criteria. In Rhode Island for example, schools are classified as (A) Title I funded schools, (B) Title I eligible schools and (C) noneligible schools under Title I. Districts must serve A and B schools before non-Title I schools can be served.

Other states have a broader range of options. In California, the criteria for selecting schools to be served by state funds parallel the procedures used in selecting Title I eligible schools. Title I allows districts to designate as eligible any school having a number or percentage of impoverished pupils greater than the district average for all schools or for all schools serving a designated grade span. However, LEAs have the option of using Title I school eligibility criteria or designating each school on a combination of its impoverished, low-achieving and limited-English speaking populations. Districts are also given considerable latitude in the identification of pupils to be served within schools. Cutoff points on standardized achievement tests and the subject matter covered by these tests are determined by the district. Thus, students served by California compensatory education funds need not meet Title I requirements and the fund distribution system within school districts may be designed by those responsible for service delivery. Districts may change their eligibility criteria every year to reflect the availability of additional funds or changing programs needs.

In a few states, achievement is the sole criterion for selecting both eligible schools and students. Such is the case in New York where state compensatory education funds are targeted at low-achieving students not served with Title I funds. In Michigan, a district is eligible for state compensatory education funds if at least 14 percent of its total enrollment in grades K-8 and not less than 30 pupils in these grades are found to be attaining less than 40 percent of the

reading and math objectives on a statewide achievement test. Eligible schools need not be Title I designated buildings, although 50 percent of state compensatory education funds must be spent in Title I schools. Similarly, state funds may serve different student populations because of grade-level differences, achievement-level differences or both.

LEA Requirements

Most states establish certain minimum requirements for the use of state compensatory education funds. Usually, local school districts must submit an annual application or program plan describing how state compensatory education funds will be used. In four states, California, Connecticut, New York and Rhode Island, consolidated applications are required for federal and state funds. In many others, a single state compensatory education unit approves separate Title I and state applications. This reflects the high degree of coordination in some states between Title I and state programs.

The degree of influence over local school districts varies considerably among states, ranging from specific guidelines to minimal or no requirements (see Table 1, pp18-24).Some states, such as California and New York, fund comprehensive programs using guidelines related to most aspects of local service delivery. New York, for example, stipulates that Title I and state compensatory education funds be coordinated with locally funded remedial services as a comprehensive instructional program. That state's SEA has developed guidelines related to local planning, staff development and instructional content of remedial programs in reading, writing and mathematics.

Michigan and Washington require that 50 percent of state compensatory education funds be spent in Title I eligible schools. Connecticut stipulates that 75 percent of program funds be expended on economically as well as educationally disadvantaged students. Eleven states require that state compensatory education funds be used only for instructional programs in basic skill areas and directly related services. Related services are generally taken to mean such things as inservice training, instructional supervision and counseling or supplies and equipment needed for remedial programs.

A few states allow considerable flexibility in the use of state compensatory education funds. Ohio law specifically requires that programs be conducted only in Title I eligible schools. Beyond this, however, program funds can be used for a variety of purposes. In

addition to remedial programs, state compensatory education funds may be used for dropout prevention, home-school and adult education programs, improvement of health and related services, improvement of library services and safety and building security. Utah funds compensatory education as one of eight "special purpose option" programs. Each district may use its share of state aid generated by a particular program area in any of the eight program areas. Districts with compensatory education programs are free to proceed at their discretion regarding the use of state funds, as long as the program is designed to meet the needs of educationally disadvantaged pupils.

Other states, like Massachusetts and Nebraska, place minimal or no requirements on use of state funds. Such states account for special need students in their general aid structures but have no state administered program in compensatory education. Massachusetts, for example, requires that at least 85 percent of the funds generated by the weighting of Title I eligibility be used for compensatory-type services.

The following table summarizes criteria for student participation and LEA requirements in selected states.

Table 1

Program Characteristics: State Compensatory Education Legislation for Selected States, 1980-81

States	Eligibility Criteria for Student Participation	Students Served	Requirements in Use of Funds	Comments
California	Standardized achievement tests. Early grades given priority. Districts have discretion regarding grades actually served.	755,000	Funds must be spent to meet the needs of low income, low-achieving and limited-English-speaking pupils.	
Connecticut	Achievement scores on school district standardized test. Targeted populations are those scoring between 23rd and 35th percentiles.	14,000 (est.)	75 percent of funds must be spent on economically as well as educationally disadvantaged.	
Florida	Standardized achievement test scores at the school district level.	N.A.	Title I guidelines are followed. State funds may supplement federal funds. Some districts use state dollars on students scoring in a specified range and apply Title I dollars to other specified ranges.	

Georgia	Children failing to achieve 15 of 20 objectives on 4th grade reading portion of the state criterion-referenced test. Grades 1-8 may be served.	60,542	Each system must submit a district plan detailing how state funds are used, including the manner in which professional and auxiliary personnel are used in provision of services to identified children.	State program differs from Title I in that it focuses on non-Title I attendance areas, does not include parental involvement, kindergarten or high school activities.
Hawaii	Those scoring in Stanine 1-3 of the Stanford Achievement Test in reading and mathematics; those performing two years below grade level in reading and math; those failing to pass the state minimal competency exam; and/or those identified on the basis of other achievement data. Focus currently on grades 9-12.	1,988	None, but the program is integrated with the federal program wherever practicable.	Other programs serving educationally disadvantaged include Comprehensive School Alienation Program (CSAP) and Act 4, State Special Funds. 1,466 pupils were served under CSAP and 530 under Act 4.
Illinois	Title I eligible students.	N.A.	LEAs must submit instruction plans regarding use of funds. In Chicago, a portion of funds must be distributed in attendance centers in proportion to the number of Title I pupils enrolled.	Title I eligible weighting in general school formulas, generally substantial amounts of revenue that may be used for provision of compensatory services.

Table 1 (cont.)

Program Characteristics: State Compensatory Education Legislation for Selected States, 1980-81

States	Eligibility Criteria for Student Participation	Students Served	Requirements in Use of Funds	Comments
Maryland	Elementary grade levels participate on basis of education need identical to that of Title I. Secondary pupils qualify for participation if they are one year or more below grade level.	15,000 (est.)	State funds must be used for programs and projects designed to meet special education needs. Funds cannot supplement existing Title I programs.	
Michigan	Identified by LEAs. Schools are requested to select pupils who are one or more years below grade level, except for pupils in K-2. For early primary grades, students are selected on the basis of readiness scores or teacher judgment.	129,278	50 percent of state funds must be spent in Title I schools. State funds cannot supplant federal or local revenues.	Schools receiving Title I funds are urged to combine the program resources to operate a single but expanded compensatory education program.
Nebraska	Title I eligible and/or locally identified pupils.	5,000 (est.)		LEA must qualify for equalization aid and have Title I or locally funded compensatory education program meeting state standards defined in terms of economic and achievement criteria.

New Jersey	Student disability is based on multiple assessment factors to verify results of standardized test results in grades 4, 5, 7, 8, 10 and 12 and state Minimum Basic Skills test in grades 3, 6, 9 and 11. Standardized tests not required in grades K-2, only a multiple assessment.	247,000	Staff training is required. No specific amount is required to be spent on Title I eligibles. State funds may not supplant other program funds.	Supplemental competitive grants are awarded for research and development.
New York	Pupils in grades 3-12 who score below the statewide reference point on any state mandated test or in grades K-2 who on a test or acceptable uniform formal screening procedure, attain scores or evaluations that predict serious deficiencies in basic skills.	415,958	School districts submit a unified application for receipt of both state and federal funds to cover a 3-year period. Annual update is required. Nonpublic schools may not be served. Schools served may be different from ESEA Title I since the requirement for participating schools is based on education deprivation only.	No state comparability requirements. Title I funds are layered over state and local funds in eligible buildings.
North Carolina	Students failing state minimal competency test and 9th and 10th graders identified as likely to fail the competency test.	N.A.	State funds are targeted to secondary grade level.	Periodic state monitoring of LEA programs.

Table 1 (cont.)

Program Characteristics: State Compensatory Education Legislation for Selected States, 1980-81

States	Eligibility Criteria for Student Participation	Students Served	Requirements in Use of Funds	Comments
Ohio	Pupils are identified on the basis of need assessments constructed by each district. Students closely parallel the Title I population. Generally, students exhibit needs such as: 1-3 years below grade level, rank at 40th percentile level or below, high absenteeism.	150,000 (est.)	Districts must submit annual proposals that include rationale, objectives, methodology and evaluation design.	Students may be served by both state and federal funds. State funds generally supplement federal dollars.
Rhode Island	Title I criteria, achievement test.	7,200 (est.)	Schools are ranked by the district. First priority given to Title I schools operating programs. Title I eligible schools not operating programs may use state funds to implement new programs. State funds may be used at other schools after priority 1 and 2 schools have been served.	

Texas	Students are eligible if through testing/assessment procedures, the LEA determined that they are performing below expectancy levels in basic skill areas (reading, writing and math).	N.A.	State compensatory education funds are to be used only for instruction programs and directly related activities.	Application for state and federal funds are separate and LEAs are encouraged to serve different student populations with state funds.
Utah	Those achieving significantly below grade level as measured by an LEA assessment test.	5,015	Funds may be used for both state compensatory education and Title I services and at both elementary and secondary levels. LEAs must submit plan for use of funds.	Compensatory education is one of eight special purpose option programs where LEA receives its entitlement for all programs under a block grant. State funds may be used to provide any combination of these programs.
Washington	SEA uses achievement scores, family income levels and a bilingual/bicultural assessment to identify target population.	22,549	50 percent of students served must come from families earning at or below a specified income level determined by each district. 50 percent of all students must be below grade level.	

Table 1 (cont.)

Program Characteristics: State Compensatory Education Legislation for Selected States, 1980-81

States	Eligibility Criteria for Student Participation	Students Served	Requirements in Use of Funds	Comments
Wisconsin	LEAs screen each child using a locally designed device. In addition to being educationally disadvantaged, 75 percent of the participants must be identified by both economic and social factors. 25 percent may be identified by either economic or social factors. SEAs establish economic factors using AFDC and free lunch counts.	1,254	Supplanting is prohibited.	SEA encourages state funds be used for services other than those provided under Title I.

Source: Data compiled by the Education Finance Center, Education Commission of the States, 1981.

Funding Approaches

States generally provide funding for compensatory education through a formula. A variety of approaches are used to allocates state funds for compensatory education to school districts: allocation of a flat grant per identified child (8 states), pupil weighting systems (9 states), project grants (competitive, noncompetitive — 7 states). Most states distribute funds on the basis of economic disadvantage, sometimes in conjunction with achievement criteria. A few states allocate aid strictly on the basis of achievement data. Population density is a factor in three states.*

A number of states attempt to make their funding of compensatory education programs, and other special programs, sensitive to equity concerns. For example, some states require that per pupil expenditures be similar across school districts and at the same time allow for differences in costs and education needs. California's Economic Impact Aid formula recognizes both varying concentrations of low income and educationally disadvantaged students and the district's fiscal capacity by funding only the district's "unmet" need. In general, where funds for compensatory education are distributed through the basic aid formula, as is done in at least 10 states, differences in costs and fiscal capacity are more likely to be reflected in district allocations.

Table 2 describes the financing approaches used in those states that allocate revenues for compensatory programs.

*For a discussion of the relative merits of alternative funding mechanisms, see National Institute of Education, "Using Test Scores to Allocate Title I Funds" (Washington, D.C., 1977).

Table 2

Funding Approaches — Compensatory Education

Arizona	LEAs receive block grants for operating expenses which include revenue for special educational programs. At local discretion a portion of these funds may be used for remedial education programs.
California	LEAs receive economic impact aid funds based on the district's bilingual count, poverty count and pupil transiency. A district is funded according to its unmet need and will receive at least 85 percent of its prior year allocation.
Connecticut	LEA entitlements based on a district to state ratio of the number of families with annual incomes less than $4,000 and a district to state ratio of the number of AFDC recipients (aid to dependent children). These local need indices are multiplied by the total state appropriation for compensatory education to determine the LEA's entitlement.
Florida	Funds are allocated on the basis of the number of students in grades 3, 5, 8 and 11 whose scores on the statewide student assessment test are at the 25th percentile or below.
Georgia	LEA allocations are based on the number of children identified as achieving below established criteria of "average achievement" on the Georgia Criterion Referenced Test.
Hawaii	Funds are allocated on the basis of the number of children who failed to pass the state's competency test for high school graduation. Two additional project grants exist for statewide alternative remediation programs.
Illinois	Title I eligibles are weighted in general state aid formula. Weighting depends on which of two alternative general aid formulas an LEA chooses for state aid purposes. Title I eligibles are weighted .45 in districts choosing the foundation program. LEAs participating in the Resource Equalizer formula receive a weight ranging from 0 - .675, depending on the district concentration of Title I eligibles relative to the statewide average concentration. Weight is equal to .45 if LEA concentration is equal to statewide average concentration.
Indiana	Title I eligibles are weighted .20 in foundation program.

Maryland	A flat grant of $100 per pupil is awarded to districts with a population density no less than 8,000 per square mile (Baltimore City). A flat grant of $45 per Title I eligible is awarded to all districts.
Massachusetts	Title I eligibles receive additional weighting of .20.
Michigan	LEAs receive $175 per eligible pupil as identified by a statewide assessment test.
Minnesota	Extra pupil units are awarded between .50 and 1.10 per AFDC student, depending on the concentration of AFDC students within the district.
Missouri	Enrolled AFDC and orphan students are weighted .25 in the general aid formula. State also provides salary support for remedial reading teachers, $5,581 for FY 81.
Nebraska	Culturally deprived and educationally deprived pupils receive an additional weighting of 1.00.
New Jersey	The number of pupils enrolled in preventive and remedial programs is multiplied by an additional cost factor of .11 to determine the number of categorical aid units. The number of aid units is multiplied by the state average net current expense budget. Socioeconomic data, severity of academic need and the actual number of students in compensatory programs on the last school day of September of the previous year determine the allocation received by the district.
New York	Educationally disadvantaged students are weighted .25 in the school aid formula.
Ohio	LEAs receive a flat grant per pupil based on the number of children ages 5-17 from AFDC families. LEA eligibility is based on 50 or more resident pupils from AFDC families or a number of such residents equal to five percent of district ADM.
Oregon	Basic grants to LEAs with at least 50,000 ADM from socially or culturally deprived backgrounds (only Portland participates).
Pennsylvania	LEAs receive flat grants per pupil of varying amounts based on the concentration of low income pupils and district size.
Rhode Island	LEA entitlement is based on the ratio of Title I enrollment to statewide total. District percentage is multiplied times $2 million to calculate actual allocation.

Texas	LEAs receive a flat grant of $14 for each pupil participating in the National School Lunch program.
Utah	State awards weighted pupil units on the basis of the district to state ratio of disadvantaged students. A weighted pupil unit is worth $946 for FY 81.
Washington	Block grants fund special student programs, including compensatory education programs. The block grant is based on special program funds received in the previous school year.
Wisconsin	Funds allocated on a competitive grant basis; both public and private institutions apply. All proposals are subject to SEA approval — 25 percent of project funds must be matched by local funds.

*Information on state funds for compensatory education is provided in Table 7.

III. Bilingual Education Programs

Federal Programs

Through Title VII of the Elementary Secondary Education Act (ESEA) the federal government has provided funding to states and local school districts to assist in the education of limited-English-speaking students. At the program's inception in 1969, local school districts in 21 states received funding under Title VII. Projects funded under this Title permit limited-English-speaking students to take courses in their native language as needed until they become proficient in English. Funds available under the Bilingual Education Act may be used for the establishment or improvement of programs, auxiliary and supplementary community and educational activities, teacher training programs, planning and technical assistance activities. Title VII has not been affected by the Education Consolidation and Improvement Act of 1981. It continues to operate as a separate federal education program.

Federal grants for bilingual education programs are allocated directly to local education agencies (LEAs) based on competitive proposals submitted to the Department of Education. Proposals must include a description of the activities to be conducted by the LEA and provide evidence that the activities described will make substantial progress in meeting federal program objectives. State education agencies may apply for federal funding of technical assistance and statewide coordination activities. These grants are set at five percent of the total amount allocated to LEAs in a given state. For the 1981-82 school year, $138 million was appropriated for bilingual education projects in more than 50 different languages, serving over 400,000 students.

State Programs

The growth in state bilingual education programs can also be related to federal initiatives since 1969. Title VII ESEA has "transitional" bilingual education programs that are designed to bring the non-English or limited-English-speaking child to proficiency in English language skills. Presently, local school districts in 42 of the 50 states receive these funds. Probably more important, however, has been the litigation related to the rights of language minority stu-

dents. In the wake of *Lau*, numerous state legislatures passed statutes mandating bilingual education. At least two court decisions since *Lau* have resulted in court ordered bilingual programs at the district level.*

Features of State Legislation

An understanding of state involvement in bilingual education requires a distinction between states with *permissive* legislation that allows for bilingual instruction and states with *mandatory* statutes that require bilingual instruction for language minority students. At present, 21 states have permissive legislation; 9 states mandate that bilingual instruction be provided if more than a specified number of limited-English-speaking children attend school in a particular district. Like compensatory education, some states have fairly detailed statutes describing virtually all aspects of their program (e.g., student identification, eligibility and placement, curricular content, teacher training and certification, and length of program). Other states have enacted legislation that outlines the broad goals and objectives to be pursued by local school districts when they implement bilingual instructional programs.

Twenty-two states provide funding for bilingual instruction, some within permissive structures and some under a mandatory structure. As with compensatory education, some states provide funds to local school districts that must in turn spend those dollars to provide bilingual education classes. Other states direct additional dollars to LEAs in recognition of the higher cost associated with providing bilingual instruction, but make no specific requirements regarding the use of those funds.

Most state laws are similar in that they provide assurances of an equal education opportunity to language minority students by helping them develop English language skills. State laws differ, however, depending on whether a state program is *transitional* or *bilingual-bicultural* in focus. Transitional programs are geared exclusively to the acquisition of a level of proficiency in English, after which time students are no longer eligible to participate. Bilingual-bicultural programs are designed to involve both limited-English-proficient and English-dominant children. The content of what stu-

*Thirteen states had legislated and funded bilingual education programs by the 1974-75 school year. Pennsylvania mandated bilingual instruction, but provided no funding. Also see *Aspira of New York, Inc. v. Board of Education of the City of New York*, 72 Civ. 4002 (S.D.N.Y. August 29, 1974) and *Serna v. Portales Municipal Schools*, 499 F. Supp 2d. 1149 (10th Cir., 1974).

dents learn in the bilingual-bicultural classroom is similar to what students learn in traditional classrooms except that instruction occurs through two languages and includes aspects of the cultural heritages of both groups of students.

While most states insist that a cultural component be included in the bilingual instructional program, the majority of programs are transitional ones where the participation of English-speaking children is not a priority. Statutes mention the participation of English-speaking children in only a few states. Minnesota's law is a good example:

> To the extent it is economically feasible, a program of bilingual education may make provision for the voluntary enrollment of children whose primary language is English, in order that they may acquire an understanding of the cultural heritage of the children of limited-English speaking ability. . . . In determining eligibility to participate in a program, priority shall be given to the children whose primary language is other than English . . . .*

In contrast, California's law carefully defines bilingual-bicultural education and programs as "a means of instruction which builds upon and expands the existing language skills of each participating pupil, which will enable the pupil to achieve competency in both languages."** The state specifically requires that at least one-third of the students participating have fluent English proficiency.***

All state programs fall somewhere within the range between transitional and bilingual-bicultural and use one of four major instructional methods:

- *Bilingual-bicultural curriculum.* A program of instruction that uses, maintains and develops skills in a student's language and culture. Additionally, it introduces, develops and maintains all the necessary English skills for the student to function successfully in English. The program of instruction includes traditional English language and culture curriculum.

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* Section 126.35, subdivision 4, Chapter 306, Minnesota laws.

** Section 52163, California Education Code.

*** Section 52167, California Education Code.

- *Transitional bilingual-bicultural curriculum.* A program of instruction that uses a student's language other than English and cultural factors in instruction only until the student is ready to participate effectively in the English language curriculum of the regular school program. Until the student is ready to participate effectively in the English language curriculum, instruction in the language arts of the language other than English is provided and English is taught as a second language.
- *English as a Second Language (ESL).* A program of instruction that teaches English as a second language, has culturally relevant material in its curriculum and provides instruction in other subject matter areas in English.
- *High intensity language training curriculum.* Sometimes referred to as intensive ESL, a program of instruction that gives a student intensive instruction in English until that student is ready to participate effectively in the English language curriculum of the regular school program. The native language is used only occasionally to explain grammatical concepts.

In at least nine states, aid is provided for bilingual education if more than a specified minimum number of language minority students reside in a school district. Most states follow the guidelines established in *Lau*, which require districts with 20 or more language minority students to initiate bilingual education programs. The actual numerical limit varies from state to state with Alaska mandating instruction when as few as 8 students have been identified and Colorado mandating such instruction when the count of students exceeds 50. In some states these minimum pupil counts are limited to certain grade levels. In addition to meeting the minimum enrollment standards, most school districts must submit formal proposals to the state education agency to receive funding, outlining the nature of the program to be offered, the grade levels to be served and the expected number of students to be served.

Many states give priority to early grade levels, usually by stipulating that a particular grade span be served with state dollars before higher grade levels can be served. For example, New Mexico funds programs in grades K-6, giving priority to grades K-3. Arizona and Oregon are similar in that the state funds programs in grades K-8, with priority given to grades K-4. Louisiana fully funds K-6 programs but leaves secondary programs to local discretion and expense. Most states, however, do not place a limit on the grades that may be served. In states such as California, Michigan, Minnesota, New Jersey and New York, districts determine the grade spans that shall be emphasized.

Nine states place a restriction on how long students may participate in a bilingual education program. In most of these states the limit is three years with a provision that a student may remain in the program longer if needed to gain proficiency in English. Extensions are generally approved with consent of parents and appropriate school officials. Because attainment of a level of proficiency in English is the main goal of most state programs, education need is the determining factor for length of participation of eligible students. Wisconsin's law, for example, stipulates that a pupil is eligible for the bilingual education program "only until he or she is able to perform ordinary classwork in English."*

Additional features of state bilingual education legislation include provisions for pre-school and summer school programs (5 states), parental notification of child placement (11 states), and establishment of parent or citizen advisory councils (12 states). Various other provisions are related to community involvement, student placement, curriculum and auxiliary programs (e.g., bilingual programs in career, vocational or adult education). Table 3 summarizes the main distinguishing features among states with bilingual education legislation.

Funding Approaches

State funds for bilingual education are distributed in ways similar to those used in distributing state funds for compensatory education. Pupil weights are used in 5 states, flat grants per pupil are awarded in 4 states, instructional units are allocated in 3 states, excess cost reimbursement is the method in 3 states and 9 states award project grants (3 competitive, 6 noncompetitive). The following table summarizes the approaches taken in individual states. In most instances, the allocation is based on the number of identified limited-English-proficient students.

*Section 115.97, Title 14, Wisconsin Statutes Annotated.

Table 3

Program Characteristics
State Bilingual Education Legislation, 1980-81

	State Bilingual Education Legislation		Grade Levels Served	Student Participation Limits	Students Served	Comments
	Permissive	Mandatory				
Alabama						
Alaska		1975	K-12	None	5,500	Programs must be provided in LEAs with 8 or more LEP students.
Arizona	1969		K-8	4 years	20,000 (est.)	Aid provided for bilingual programs is part of block grant for general operations and maintenance.
Arkansas						
California		1972	K-12	None	325,748	Funds are allocated under both a Bilingual Education Act and Economically Disadvantaged Youth Program (EDY).
Colorado		1975	K-12 (K-4 priority)		18,459	LEAs with 50 or more LEP students in grades K-3 must provide programs.
Connecticut		1971	K-12	None	9,997	LEAs with 20 or more LEP students must provide programs
Delaware						
Florida	1973		K-12	None	N.A.	12 LEAs receive Title VII funds.

Georgia						
Hawaii	1979		K-12		6,522	
Idaho						Title VII funds available for 3 projects.
Illinois		1973	K-12	3 years	41,966	LEAs with 20 or more LEP students must provide programs. Pre-K are eligible.
Indiana	1976				N.A.	
Iowa	1979				3,590	First year of implementation.
Kansas	1979		K-12	None	3,617	
Kentucky						
Louisiana	1975		K-6	None	62,000	
Maine	1969		K-12	None		
Maryland	1973		K-12	None	N.A.	Funds included in allocations for compensatory education. Program covers all education disadvantages.
Massachusetts		1971	K-12	3 years	13,955	LEAs with 20 or more LEP students must provide programs.
Michigan		1974	K-12	3 years	20,775	LEAs with 20 or more LEP students must provide programs. All LEAs are required to submit an annual census of LEP students.

Abbreviations

LEA = local education agency *LEP = limited-English proficient*

Table 3 (cont.)

Program Characteristics
State Bilingual Education Legislation, 1980-81

	State Bilingual Education Legislation		Grade Levels Served	Student Participation Limits	Students Served	Comments
	Permissive	Mandatory				
Minnesota	1976		K-12	None	8,000	
Mississippi						
Missouri						
Montana						
Nebraska						
Nevada						State issued regulations for LEA compliance with *Lau*. The program for K-3 in 4 schools is funded under Title VII.
New Hampshire	1973		K-12	None		
New Jersey		1975	K-12	3 years	24,000 (est.)	LEAs with 20 or more LEP students must provide programs. Annual census of LEP students is required.
New Mexico	1974		K-6 (K-3 priority)	None	26,654	Students may participate in program as long as it does not exceed 1/2 time of student.

New York	1973	K-12	3 years	4,299 (est.)	Pupil count refers to state funding of approved programs outside pupil weighting for special need students in general aid formula (which includes count of LEP students).
North Carolina					
North Dakota					
Ohio				N.A.	Funds for bilingual education included in funding of compensatory education programs (approx. $150,000).
Oklahoma					
Oregon	1979	K-8	None	N.A.	
Pennsylvania					
Rhode Island	1974	K-12	6 years	3,100	Authorizing legislation but no state funding except for small special grants for ongoing programs.
South Carolina					
South Dakota					
Tennessee					
Texas	1973	K-5	3 years	147,518	LEAs with 20 or more LEP students must provide programs. Survey of home language required. Additional funds for staff training are provided.

Abbreviations

LEA = local education agency *LEP = limited-English proficiency*

Table 3 (cont.)

Program Characteristics
State Bilingual Education Legislation, 1980-81

	State Bilingual Education Legislation		Grade Levels Served	Student Participation Limits	Students Served	Comments
	Permissive	Mandatory				
Utah					5,029	Bilingual education is among the special purpose option programs. LEA survey of LEP students identifies eligible students. Ages 5-18 eligible.
Vermont						
Virginia						
Washington		1979	K-12 (early grade priority)	3 years	11,123	Program is now a part of a state block grant for special student programs.
West Virginia						
Wisconsin	1976		K-12	None	2,507	LEAs with 10 or more LEP students K-3 must provide programs for 4-12, programs must be provided when 20 or more reside in district.
Wyoming						

Abbreviations:
LEA = local education agency *LEP = limited-English proficient*
Source: National Clearinghouse for Bilingual Education, The Current Status of Bilingual Education Legislation; *and data compiled by the Education Finance Center, Education Commission of the States, 1981.*

Table 4

Funding Approaches — Bilingual Education

Arizona	LEAs receive block grants for operating expenses that include revenues for special educational programs, including bilingual education. Limited-English-proficient students are weighted in district support level calculation.
Alaska	Additional instructional units are awarded for limited-English-proficient students.
California	LEAs receive economic impact aid funds based on the district's bilingual count, poverty count and pupil transiency. A district is funded according to its unmet need and will receive at least 85 percent of its prior year allocation.
Colorado	Per pupil grants are awarded for children identified as in need of intensive English language instruction, not to exceed $400 per pupil.
Connecticut	Funds are distributed on a formula basis obtained by multiplying the total state appropriation by the ratio which the number of eligible children in the district bears to the total number of eligible children statewide.
Hawaii	The state allocates funds to the seven administrative units on a per pupil basis.
Illinois	State funds assist in covering excess costs beyond that of the regular school program.
Iowa	LEAs must submit an application for funding and receive flat grant per eligible pupil, not to exceed $400 per pupil.
Kansas	LEAs must apply for funding. Eligible districts receive flat grant of $150 per pupil.
Louisiana	LEAs receive additional teacher units for full-time second language instructors at elementary level.
Massachusetts	Limited-English-proficient students are weighted 0.4 in general aid formula.
Michigan	LEAs receive grants based on the number of children of limited-English-speaking ability.
Minnesota	State reimburses LEAs for 70 percent of teacher salaries, based on teacher-pupil ratios of 1 per 45 limited-English-proficient students.

New Jersey	Limited-English-proficient students are weighted .16 in general aid formulas.
New Mexico	Limited-English-proficient students are weighted 0.3 in general aid formula.
New York	Limited-English-proficient students are weighted 0.05 in general aid formula. In addition, state funds are distributed on competitive grant basis to LEAs and Boards of Cooperative Education Services.
Oregon	The state awards grants for approved projects.
Rhode Island	The state awards grants to assist ongoing local programs.
Texas	State provides flat grant of $25 per limited-English-proficient student. Additional aid is provided for transportation and teacher training.
Utah	Funds are distributed according to the proportion of limited-English-proficient students in LEA programs to the total number of such students in the states.
Washington	LEAs receive block grant for special educational programs including programs for limited-English-proficient students.
Wisconsin	LEAs are reimbursed for 70 percent of salary expenses for certified bilingual education teachers and other expenses approved by the SEA.

IV. Special Education

Federal Programs

Federal involvement in programs for the handicapped has been gradual and piecemeal. Since 1965 federal aid for handicapped children in state operated and supported schools has been made available under Title I of the Elementary and Secondary Education Act (ESEA). Since 1967, amendments to the ESEA have required that 15 percent of the funds made available for improving local educational practices be set aside for handicapped education projects (currently authorized under Title IV-C). The Education Amendments of 1974 (P.L. 93-380) called upon states to provide due process procedures in placement, assessment and testing of handicapped children. However, it was passage of the Education for All Handicapped Children Act (P.L. 94-142) in 1975 that capped the various and often diverse federal commitments to special education.

The centerpiece of the 1975 act is a state grant-in-aid program, authorized under Part B. It requires participating states to furnish all handicapped children with a free, appropriate public education in the least restrictive environment. In addition to formula grants to the states, a variety of discretionary grant programs are authorized, aimed at stimulating improvements in education services for handicapped children. Some programs funded on a project basis are regional resource centers, centers for services for deaf-blind children, early childhood education projects and innovative programs for severely handicapped children.

The law carries with it a wide range of requirements related to both child identification and service delivery. State education agencies are responsible for implementation of these requirements, including the monitoring and evaluation of local school district activities.

To assist states in carrying out the intent of the law, the federal government appropriated $300 million or about $74 per handicapped child under Part B in FY 1975. By FY 1980, this figure had risen to $804 million or about $210 per child. For FY 1981, about $900 million has been appropriated for education of the handicapped. Formula grants to state education agencies are based on straight sum pupil counts of handicapped children between the ages of 3-21. All states receive the same fixed amount per child regard-

less of handicapping condition. State plans must be submitted annually to receive federal funding. The Education for All Handicapped Children Act has not been incorporated into the Education Consolidation and Improvement Act of 1981.

State Programs

Although the federal government exerted some influence over state efforts to serve the handicapped before P.L. 94-142 was passed in 1975, the states were leaders in developing special education programs. A number of states had laws as early as the 1920s requiring that certain types of services be provided to handicapped children. By the early 1970s, widespread attention to the education needs of handicapped children had surfaced in most states.

The rapid expansion of state programs for the handicapped between 1970 and 1975 basically resulted from a new sensitivity to the rights of handicapped children. A variety of special interest groups had organized to influence states and local school districts. As with other special needs programs, the new ground was broken in the courtroom. The first case was *Pennsylvania Association for Retarded Children (PARC) v. Pennsylvania,* which explicitly extended state equal protection guarantees to handicapped children. This was followed by *Mills v. Board of Education*, which required the District of Columbia to provide an appropriate education for all school-age children regardless of their mental, physical or emotional handicaps. The court in *Mills* also disclaimed fiscal considerations as justification for failing to provide an "appropriate" education. A series of other subsequent cases dealt with identification and placement, providing additional assurances that the needs of the handicapped would be properly addressed by the states.*

Unlike compensatory and bilingual education, state legislation related to the education of the handicapped is more uniform. All states have laws that require handicapped children, ages 6-17, be served and all have comprehensive rules and regulations concerning identification and placement of such children. However, differences exist in the number and types of classification systems, in age ranges of students served, in methods of service delivery, in the funding approaches taken and in use of state and federal funds.

**Diana v. State Board of Education*, Civ. No. C-7037REP, (N.D. Cal. 1973); *Stewart v. Phillips*, Civ. No. 70-1199-F (D.C. Mass., February 8, 1971).

Classification Systems: Eligibility and Service

State special education regulations traditionally have defined service eligibility in terms of specific physiological or psychological categories, with most categories divided into several subcategories. Although the terminology of these categories differs somewhat, it closely approximates the categorization used by the federal government under P.L. 94-142. For example, some states may subdivide mentally retarded students into groups such as mildly retarded, moderately retarded and profoundly mentally retarded. While the designations used by the states differ from each other and from P.L. 94-142 definitions, most of the differences are in form rather than substance.

To remove the stigma ascribed to labeling children according to their handicapping condition, some states have moved away from eligibility criteria that use this practice in favor of criteria that relate to the services rendered. In Massachusetts, students are grouped according to the types of special class setting. These range from regular classroom programs, to substantially separate programs, to home or hospital programs. California's master plan for special education places children in three service-delivery categories. Children in special day classes receive instruction in separate self-contained classrooms on a full-day basis. Children working with a resource specialist are served in special classes on a pullout basis. Designated instructional services can vary according to the range of services prescribed in the child's individualized education plan.

Many states use both federal and specific state classifications to conform with P.L. 94-142 reporting requirements and to facilitate distribution of funds to school districts. The combination usually occurs when funds for special education are allocated on the basis of the resources needed in addressing different types of handicapping conditions.

Age Ranges for Mandated or Permissive Programs

To qualify for federal assistance under P.L. 94-142, states must agree to establish a goal of serving all handicapped children between the ages of 3 and 21. This requirement does not apply to children in the 3-5 and 18-21 age groups where mandatory services to such children are inconsistent with state law. Nonetheless, a majority of states

mandate that services be provided either to preschool children (3-5), to potential high school graduates (18-21) or both. Iowa, Maryland, Michigan, Nebraska, South Dakota and Wyoming mandate that services be available from birth. Where state legislation does not mandate service for children outside the 6-17 age span, such service is permitted. Statutes in only four states fail to mention service for preschool and/or postsecondary age handicapped children.

State funds are not always made available for preschool or postsecondary programs. In North Carolina, state legislation mandates that special education programs be provided only for children from ages 5-17. Permissive legislation, however, allows local education agencies to provide services to preschool children if the level of services for the mandated age groups is proven adequate. Funding for preschool programs comes from several sources, primarily from the North Carolina's Incentive Grant Program for Early Childhood Education. However, under this program only about 16 percent of the state's school districts receive funding and the proportion used for special education programs is not specified.

In Kentucky, services may be provided for 3 and 4-year-olds at the option of the district but must be funded from federal and local sources. In Delaware, school officials may admit children to preschool programs prior to age 4, but they cannot include them in the pupil count for the state aid reimbursement. Most states provide funding for preschool and postsecondary programs in conjunction with the aid provided for regular school ages.

Methods of Service Delivery

A majority of states offer two kinds of service delivery for handicapped children — regular classroom instruction or supplemental instruction where students are served in separate classrooms for a fraction of the school day or week. Instruction in self-contained classrooms or institutional environments accounts for a small proportion of the handicapped population in most states and is limited to particular handicapping conditions such as deaf-blind or multiple-handicapped. Regular classroom instruction is favored for the learning disabled, the category that contains the greatest number of students in virtually every state. The partial pullout environment is most used for the mentally retarded, speech impaired, orthopedically impaired, emotionally disturbed and other health impaired categories. Because state regulations defining special education service categories vary among states and sometimes differ from federal

definitions, it is hard to generalize from the survey responses about the education environment.

Funding Approaches

State aid for special education is provided through funding structures similar or identical to those used in distributing aid in other programs discussed in this report. However, the complexities associated with providing education services to handicapped children create more varied and complex funding mechanisms. In general, states use one of three basic approaches to fund special education programs: (1) pupil weighting schemes, (2) teacher or classroom unit systems and (3) excess-cost or percentage-reimbursement formulas.

In pupil weighting, the amount of money provided for each handicapped child is based on the dollar amount provided per pupil in regular school programs. This base amount is multiplied by a factor or "weight" that usually varies according to handicapping condition or the type of service provided (Leppert and Routh, 1979; Moore, forthcoming). The possible classification systems and service settings among states lead to a variety of differential weighting schemes. The number of weights used in individual states ranges from the 2 used in Massachusetts to the 15 used in Florida.

Pupil weighting facilitates the distribution of special education funds through a state's general aid structure. An advantage of this approach is the ability to take local fiscal capacity into consideration in the allocation of special education revenues. A disadvantage is potential overclassification of children: under this student-based approach the more children the district identifies as handicapped, the more state aid it receives for special education (see Hartman, 1980). Thirteen states employ pupil weighting approaches in distributing state aid for special education. In seven states, the weights are based on handicapping condition; in six states, the weights are based on the nature of the service provided.

States using teacher or classroom unit funding provide a dollar amount per special education teacher or classroom devoted to special education instruction. This is sometimes referred to as a "resource-based" approach (Hartman, 1980) since the key variable determining the state aid allocation is the level of resources (e.g., teaching staff, auxiliary personnel) required to provide the desired level of services. These approaches lessen the tie between the number of students identified and district funding levels; each teacher or classroom unit may be associated with different numbers of students. On the other hand, these approaches may weaken the incen-

tive to develop efficient programs for serving students in low-incidence programs. As with the pupil weighting, unit funding for special education can flow through general aid formulas and thus can be made sensitive to differences in district tax bases.

The classroom unit or teacher unit is used in 14 states for funds allocation. Allocations per unit may be tied to specific requirements for class size and/or minimum schedules for teacher salaries. States that fund on the basis of class size recognize that some handicapping conditions typically require smaller classes. The link between the unit basis and teacher salary schedules accommodates for the differential costs associated with teachers and auxiliary staff who possess the training and experience required in the provision of special education services. For example, Mississippi funds on a teacher unit basis and the amount per teacher varies according to a statewide salary schedule. The range is between $9,000 and $15,000 per teacher, depending upon teacher qualifications and years of experience. Usually, smaller class sizes are required for the more severe handicapping conditions, and the allocation per teacher unit is higher for better trained and more experienced teaching staff.

Fifteen states provide aid for special education on either a percentage or excess cost basis. Under these approaches, states reimburse local school districts for all or a portion of the costs associated with providing special education services. In some states the base for reimbursement is the entire cost of the program; the state agrees to reimburse school districts for all or some portion of its expenditures on handicapped children. In Connecticut, for example, state aid is provided for between 30 and 70 percent of approved expenditures; poorer districts receive a higher percentage, richer districts receive a lesser percentage. In other states the base is teacher salaries, as in Idaho where 80 percent of the salary expense for special education personnel is reimbursed.

Another common approach, used in 10 states, defines the base for reimbursement as the increment of excess cost incurred beyond costs associated with regular education programs. Regular education program costs are usually expressed in terms of an average per pupil expenditure. This expenditure is then compared with the per pupil expense for the special education program to determine the excess cost. The state then reimburses all or a portion of this excess amount.

Advantages of cost-based funding schemes include a reduced incentive for overclassification of handicapped students, since the state agrees to pay only a portion of the increased cost (Hartman, 1980, p. 21). A potential disadvantage is that such funding schemes are more

difficult to incorporate into general aid structures and often lack features that compensate for differences in local wealth. However, structures such as that used in Connecticut, where separate formula aid for special education is provided on an equalized basis, prove that this disadvantage can be overcome.

States also use combined approaches to provide funds for special education. Districts in Kansas receive a dollar amount per teacher unit and are reimbursed for 80 percent of the transportation costs of special education programs — a combination of resource-based and cost-based formulas. Ohio, combining resource-based and student-based funding, allocates a specific dollar amount per classroom unit and awards per pupil grants for transportation, home instruction, teacher training and other specialized instructional services. Virginia uses both cost-based and student-based funding; the state provides per student allocations based on its determination of the excess costs for programs serving different handicapping conditions.

Table 5

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
Alabama	6-21	3-5	72,378	5.44	Teacher units for approved classes	LEAs with kindergarten must begin service at age 5.
Alaska	3-19	Birth-21	10,242	9.85	Classroom units based on the number of special education pupils.	Programs for gifted and talented are also funded.
Arizona	5-21	3-5, 21+	48,303	9.10	Special education pupils are weighted in calculation of block grant for local maintenance and operation.	LEAs with kindergarten must begin service at age 5.
Arkansas	6-21		45,027	9.31	Reimbursement for excess costs of approved classes.	
California	4-18	Birth-21	355,533	7.6	Master Plan for special education provides a per pupil allocation based on placement and services required. Title V provides an allocation per classroom unit.	Services must be provided for students not having completed high school.

Colorado	5-21	Birth-21	47,228	8.11	Excess cost reimbursement for approved personnel, transportation and material costs.	
Connecticut	2-21	Birth-21	62,551	9.35	Reimbursement for a portion of excess costs. State support is based on district wealth as defined for GTB formula. Aid ranges from 30% of reimbursable costs for wealthiest districts to 70% of reimbursable costs for poorest district.	Some services (e.g., deaf/blind) are provided cooperatively with other state agencies.
Delaware	4-20	18-24	14,434	11.09	Classroom units are awarded for 11 categories of handicapping condition.	Hearing or visually impaired must be served from birth. Autistic or physically impaired, 4-20.
Florida	5-18	3+	136,963	8.24	Pupil weighting scheme keyed to base student allocation. Weights for 15 categories of handicapping condition are included in foundation program. 80% of funds generated by a particular category must be expended on that program.	Deaf, blind, physically handicapped must be served from birth-18. Programs for gifted also mandated.
Georgia	5-18	Birth-21	98,650	9.00	State aid formula includes weighted classroom units for categories of 14 handicapping conditions.	
Hawaii	6-20	3-5	11,382	5.69		

Table 5 (cont.)

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
Idaho	5-21	Birth-4	18,066	8.91	80% of ancillary salaries (special education teachers, psychologists, psychological examiners, therapists and social workers) plus additional support units are provided in foundation program.	
Illinois	3-21		250,463	10.00	Flat grant per certificated special education employee and approved aide; excess cost reimbursement for severely handicapped up to a maximum of $2,000 greater than a district's regular per pupil expense.	
Indiana	6-18	3-21	98,818	8.03	Pupil weighting scheme that recognizes 13 categories of handicapping condition.	
Iowa	Birth-20		58,969	9.17	Pupil weighting scheme that provides additional support for 3 categories of handicapping condition.	Service categories used by state differ substantially from federal classification system.

Kansas	5-21	Birth-5	38,733	7.89	State provides a per-teacher allocation plus reimbursement or 50% of transportation costs.	Placement must be reviewed every 12 weeks.
Kentucky	5-17	3-21	67,087	8.55	Extra classroom units are allocated per approved teacher.	
Louisiana	3-21		85,640	8.4	Teacher allotments for 18 categories plus allowances for teacher aides and other staff.	
Maine	5-20	4-20	24,343	9.82	100% of costs in prior year are reimbursed.	Gifted and talented are also served by state funds.
Maryland	Birth-21		93,763	10.07	Reimbursement for excess costs based on placement.	
Massachusetts	3-21	Birth-3	141,869	11.42	Weighting scheme keyed to statewide average expenditure per FTE pupil. Two categories of handicapped condition are recognized based on placement, services required. 85% of funds distributed for special education must be spent on the program generating the funds.	

Table 5 (cont.)

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
Michigan	Birth-26		155,385	7.22	Districts are reimbursed for up to 75% of excess costs for approved programs subject to state appropriations. Some programs reimbursed at 100%.	
Minnesota	4-21		82,346	9.03	Reimbursement for 69% of staff. Salaries plus 80% of expenditures for special supplies and equipment.	
Mississippi	6-20	Birth-21	42,430	7.11	Extra teacher units are awarded for approved classes.	
Missouri	5-20	3-5	98,134	9.42	Reimbursement of between $5,000-$10,000 per classroom unit for approved programs.	
Montana	3-21		12,781	7.15	Full reimbursement of allowable costs.	Birth to 2 years of age must be served in certain instances.

Nebraska	5-21	Birth-4	30,386	8.86	Reimbursement for 90% of allowable excess cost per student. Gifted pupils receive an additional weighting of 25% of basic needs.	
Nevada	5-18	Birth-5	11,207	7.56	Classroom units for approved classes; maximum of 1 unit per 9 teachers in regular program.	
New Hampshire	3-21	Birth-3	12,627	6.40	Reimbursement for costs exceeding twice the state average per pupil expense.	
New Jersey	5-21	Birth-5, 21+	149,578	9.32	Pupil weighting scheme keyed to state average current expense per pupil. 12 categories of handicapping condition are recognized in state aid formula.	
New Mexico	5-21	Birth-5	20,479	6.88	Pupil weighting scheme keyed to basic state support. 4 categories are recognized based on placement and services provided.	State does not participate in P.L. 94-142.

Table 5 (cont.)

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
New York	5-21	Birth-5	218,587	5.76	All identified, eligible pupils generate regular operating aid based upon weighted ADA. Each handicapped pupil generates additional state aid through an excess cost reimbursement formula. Reimbursement is provided in an equalizing manner using aid ratios based on property wealth. Expenses reimbursed are subject to various maximums.	Gifted and talented also funded. Funding for preschool children year round and for school age children during the summer months is available through special arrangement.
North Carolina	5-17	Birth-4, 18-21	114,375	9.24	Allocation based on head count of eligible handicapped children as of Dec. 1 of the previous school year. A hold-harmless provision guarantees that the level of funding will be no less than that which was provided in FY 1979-80.	Certain services (e.g., evaluation) are provided cooperatively with State Department of Human Resources. Per pupil funding scheme replaces classroom unit approach as of 1981-82 school year.

North Dakota	6-21	Birth-6	9,776	6.60	Districts reimbursed in an amount not to exceed 2.5 times the state average per pupil expense of regular program and four times the state average costs for transportation and equipment.	
Ohio	5-21	Birth-5	201,341	8.33	Flat grant per classroom unit plus salary allowances tied to statewide salary schedule; per pupil allocations for certain services.	
Oklahoma	4-18	Birth-4	60,997	10.02	Pupil weighting scheme keyed to foundation program. Formula recognizes 11 categories of handicapping condition.	Weighting system has replaced classroom unit approach as of 1981-82 school year.
Oregon	6-20	3-5, 21	44,145	8.64	Reimbursement of 30% of approved costs, subject to appropriation cap.	
Pennsylvania	6-21	Birth-6	190,244	7.68	100% of approved excess costs in district or intermediate service center. Base used in determining excess cost reimbursement varies according to handicapping condition.	LEAs with kindergarten must begin service at age 5.
Rhode Island	3-21		16,071	7.97	Excess cost reimbursement. Programs for Gifted and Talented funded on a competitive grant basis.	

Table 5 (cont.)

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
South Carolina	5-21	Birth-5	71,466	16.43	Pupil weighting scheme keyed to foundation program. State aid formula recognizes 8 categories of handicapping condition. 85% of funds generated by each category must be spent in the designated weighted pupil category.	Hearing impaired must be served at age 4.
South Dakota	0-21		9,850	6.33	State reimburses districts for 50% of allowable costs.	Both identification and services are provided cooperatively between SEA and other state agencies.
Tennessee	4-21		93,004	9.72	Identified and served handicapped pupils receive a weight of 1.051 in foundation program. 85% of funds generated by this factor must be spent on handicapped pupils.	Hearing impaired and deaf must be served at age 3.

Texas	3-21		267,612	9.00	Classroom units are allotted based on district's ADA. Allocation is based on percent of students served: full amount if 12% or more; reduced by 6% for each 1% decrease in percent served, to a maximum of 5% served.	
Utah	5-21	Birth-21	36,127	11.19	Pupil weighting scheme keyed to foundation program. 13 categories are recognized in state aid formulas. Separate appropriation for gifted and talented.	
Vermont	6-21	Birth-5	12,424	11.14	Regional programs are funded by the state at 100% of excess cost. School district programs are reimbursed at 75% of approved salaries.	
Virginia	2-21		91,051	8.09	Varying per pupil amounts for excess costs for 9 categories. Flat grant per gifted pupil.	
Washington	5-21	Birth-5	54,049	6.61	Funds for 3 categories of handicapped are included in block grant for special programs.	Block grant funding in effect for 1981-82 school year.

Table 5 (cont.)

Program Characteristics
State Special Education Legislation, 1980-81

	Age Range for Mandated	Service Permissive	Students Served Number	Percent of K-12 Enrollment	Funding Approach	Comments
West Virginia	5-23	3-5	33,964	8.46	Handicapped pupils are weighted 3.0 in foundation program. Additional support is provided for teacher salaries, facilities and transportation.	
Wisconsin	3-21		65,611	6.17	Reimbursement of 68% of approved costs for special education programs. 100% of room and board for interdistrict transfer pupils.	
Wyoming	Birth-21		9,873	10.48	Classroom units for approved classes.	

Source: Data compiled by the Education Finance Center, Education Commission of the States, 1981.

V. Trends in State and Federal Support for Programs Serving Special Student Populations

Funding for Special Student Programs

From 1975 to 1981 state and federal support for compensatory, bilingual and special education increased about 75 percent in dollar terms or 24 percent in real terms. Currently, state and federal funds for compensatory education total about $3.8 billion. Total state and federal revenues for the education of the handicapped have reached the $4.2 billion mark. These two sources of revenue now provide more than $200 million to support bilingual education. Through Title VII of the Elementary and Secondary Education Act (ESEA), the federal government provided about $138 million. Table 6 provides summary statistics on state and federal funding for all three programs for selected school years.

The mix of state and federal support differs by program. In compensatory education, federal funding far exceeds spending at the state level. The major federal role in primary and secondary education has been Title I of the ESEA (now Chapter I ECIA), which provides compensatory education services to students from poverty backgrounds. In some states, Title I is the only source of funds specifically earmarked for compensatory education services. Other states provide nearly as much in state source revenues as does the federal government.

In funding special education the federal government has been the junior partner. For 1981 the federal contribution was nearly $250 per child, but this compares with an average state expenditure per handicapped child of nearly $900 per child.

Bilingual education is unique. The $138 million appropriated under Title VII ESEA during 1981 represents funds allocated on a project-by-project basis to individual school systems in all 50 states. In some states federal revenues are the primary source of funds for bilingual education. In other jurisdictions, state and local funds far exceed federal contributions. On a state-by-state basis the state/federal mix varies considerably. Typically, states with the largest populations of

Table 6

Estimates of Service and Funding Levels for Compensatory Education, Special Education and Bilingual Education for Selected Years

	Compensatory Education			
	State Programs		Federal Programs	
Year	Number of Students (Thousands)	Funds Appropriated (Millions)	Number of Students (Thousands)	Funds Appropriated (Millions)
1976-77	1,505	$364	N.A.	$1,794
1978-79	2,136	762	5,100	2,989
1979-80	2,456	752	5,560	3,130
1981-82	2,700 (est.)	750 (est.)	5,900 (est.)	3,100

	Special Education		
Year	Number of Students (Thousands)	State Funds (Millions)	Federal Funds (Millions)
1975-76	2,861	$2,038	$325
1978-79	3,912	3,356	564
1979-80	4,100	3,396 (est.)	804
1981-82	N.A.	3,750 (est.)	899

	Bilingual Education			
	State Programs		Federal Programs	
Year	Number of Students (Thousands)	Funds Appropriated (Millions)	Number of Students (Thousands)	Funds Appropriated (Millions)
1978-79	608	$81.7	N.A.	$135.0
1979-80	697	81.6	250	148.7
1981-82	768 (est.)	84.0 (est.)	255 (est.)	138.0

Source: ECS national surveys of state programs in compensatory, bilingual and special education; U.S. Department of Education Budget Tables, FY 79-FY 81; National Center for Education Statistics, Condition of Education *(1979); National Institute of Education,* State Compensatory Education Programs *(December 1978).*

limited-English speaking students provide funds far in excess of the federal revenues.

In recent years, both the states and the federal government have made substantial contributions in funding education programs for special student populations. The next few years may witness a significant shift in federal and state postures toward special student programs as (1) the federal role in education is reconsidered by the Reagan Administration and (2) the states attempt to balance the demand for increased governmental services in other sectors with the needs of the education sector. The following sections examine in greater detail emerging trends in federal and state support for compensatory, bilingual and special education programs.

Trends in Federal Support

Until 1965 when the federal government assumed an activist posture in education, both the level of federal categorical grants and the overall federal fiscal role in elementary and secondary education were modest. However, passage of ESEA in 1965 immediately provided $1 billion in Title I funds to support compensatory education programs for low income children. Ten years later, funding under Title I had grown to $2 billion and by 1980 Title I expenditures had reached the $3 billion mark. Over the 15-year period, legislation for bilingual and handicapped students in conjunction with increased appropriations for vocational education and impact aid had brought total federal support of elementary and secondary education to nearly $7 billion in 1980.

Federal involvement in primary and secondary education has been controversial. National evaluations of programs such as Title I have provided mixed reviews, casting some doubt on the ability of federal initiatives to close the achievement scores gap between disadvantaged pupils and their peers. State and local administrators have complained of excessive federal regulation and paper work associated with the receipt of federal funds. Indeed, a considerable body of literature has evolved recently regarding the problem of implementing federal program initiatives. This problem sometimes is compounded because many school systems participate simultaneously in more than one federal program (see General Accounting Office, 1980; Goor, Moore and Demarest, 1979; and Birman, 1981).

These concerns along with pressures to balance the federal budget may have fostered the beginnings of a major shift in the federal role in public education, returning substantial authority and responsi-

bility for program initiatives to the state level. Such a shift in federal policy would change the structure of the existing grant-in-aid system and gradually reduce the level of support for the various federal education programs.

The Reagan Administration has capped funding for Title I at $3.1 billion. In addition, over 20 special purpose programs have been consolidated into block grants (this comprises Chapter II of the Education Consolidation and Improvement Act). Federal funding of these programs has been capped at $589 million — a reduction of nearly 25 percent from the level of federal support of these programs in fiscal 1981.

Overall, the Administration's budget proposals for education show a continued reduction in federal support for elementary and secondary education through fiscal year 1984. The decrease in funds may be coupled with the consolidation of federal compensatory and special education initiatives. This signals a diminished federal role both programmatically and fiscally. The future of programs serving special student populations may be determined to a substantial degree in state capitols, hinging on state resources and budget priorities.

Trends in State Support

According to ECS surveys and other sources (National Education Association, 1981), the growth in both general and categorical state aid to schools has slowed considerably in recent years, particularly since the state budget crises of the last two years. In a number of states, general aid was favored over categorical aid in formulating state education budgets. The trends in state spending differ among the various types of special programs from 1975 to 1980.

State appropriations for compensatory education increased about 50 percent between 1975 to 1980, averaging an annual growth rate of about 9 percent. Spending varied considerably among states with appropriations growing steadily each year in some states but gradually and consistently declining in other states. As shown in Table 7 (see p. 63), spending has increased each year in California, Florida, New York, Texas, Utah and Washington. State appropriations have remained constant or declined steadily in Connecticut, Georgia, Maryland, Oregon, Rhode Island and Wisconsin.* Appropriations for compensatory education in Michigan and Ohio grew steadily up through the 1979-80 school year and then declined sharply.

* Wisconsin's program expired as of the 1981-82 school year.

Table 7

Compensatory Education State Funds, 1975-76 to 1980-81 (in millions)

State	1975-76	1978-79	1979-80	1980-81	Annual Percent Change 1978-80
Arizona	N.A.	N.A.	N.A.	N.A.	--
California	$107.2	$135.2	$159.0	$162.5	9.9%
Connecticut	7.0	7.0	7.0	5.0	−14.3
Florida	0.0	26.5	28.5	33.1	11.8
Georgia	10.2	12.7	12.7	12.7	0.0
Hawaii	N.A.	N.A.	N.A.	2.5	--
Illinois	N.A.	N.A.	N.A.	N.A.	--
Indiana	N.A.	N.A.	N.A.	N.A.	--
Maryland	13.0	9.2	5.4	5.2	−22.5
Massachusetts	N.A.	N.A.	N.A.	N.A.	--
Michigan	23.5	36.7	32.9	22.9	−20.3
Minnesota	N.A.	N.A.	N.A.	N.A.	--
Missouri	N.A.	N.A.	N.A.	N.A.	--
Nebraska	N.A.	N.A.	N.A.	N.A.	--
New Jersey	0.0	68.0	68.3	66.0	−1.9
New York	140.0	140.5	136.9	151.0	3.9
Ohio	32.6	33.0	57.0	40.0	21.5
Oregon	1.0	1.0	1.0	1.0	0.0
Pennsylvania	N.A.	N.A.	N.A.	N.A.	--
Rhode Island	2.0	2.0	2.0	2.0	0.0
Texas	22.3	25.4	42.9	42.9	34.4
Utah	0.8	0.9	1.0	1.1	10.5
Washington	4.5	5.0	5.2	6.0	9.7
Wisconsin	1.5	1.2	0.8	0.6	−29.0

Source: Data compiled by the Education Finance Center, Education Commission of the States, 1981.

State education officials in these states report that cuts in categorical aid, including compensatory education, were necessary to preserve funding levels for general school aid.

The trend in state funding of bilingual education is similar to the pattern in compensatory education; states have generally not maintained their funding of these programs in real terms. Although comprehensive data for 1975-76 to 1980-81 are not available, a pattern similar to that of compensatory education appears in Table 8 for 1978-79 to 1980-81.

The story for special education is markedly different. Table 9 (see p. 66) shows the annual absolute rate of growth of state special education funds for the years 1975-76 through 1980-81. Over the entire period, state revenues grew at an annual rate of 15 percent. In almost every state, special education appropriations also grew in real terms over the period. Generally, states increased their spending at a faster rate from 1975 to 1978 than in subsequent years. Between 1975 — when P.L. 94-142 was passed — and 1980, the states increased their funding for special education by 66 percent or just over $1.3 billion. At the same time the federal government increased its funding for special education by $479 million to a total of $804 million.

Special education fared better than compensatory and bilingual education for several reasons. A number of states may have been forced to allocate more of their funds to meet Section 504/94-142 service mandates. In some of the states, these allocations may have come at the expense of other special programs (or even at the expense of general school aid). Moreover, the federal financial role as of 1980 continued to be modest in relation to total spending. That is, strong mandates and limited federal funding have necessitated expanded state funding to meet federal requirements. In addition, interest groups representing the handicapped, which have generally been better organized than those for other minority or disadvantaged groups, have engaged in fairly successful lobbying efforts at the state and local levels.

Future of Special Needs Programs

In many states the surpluses that generally encouraged the growth of categorical programs no longer exist. A number of states face economic downturns (e.g., Michigan, Ohio and Oregon). Other states must operate in the face of fiscal limitation (e.g., California and Massachusetts). Even states with strong commitment to special needs

Table 8

Bilingual Education State Funds, 1978-79 to 1980-81 (in millions)

State	1978-79	1979-80	1980-81	Average Annual Percent Change
Arizona	$1.0	$1.0	N.A.	
Alaska	5.9	5.8	$5.8	−0.8%
California	11.8	12.9	14.7	11.6
Colorado	2.1	1.8	1.7	−9.9
Connecticut	1.4	1.4	1.6	7.1
Hawaii	0.8	1.6	2.5	78.1
Illinois	14.6	16.6	17.5	9.5
Iowa	0.0	0.0	0.2	
Kansas	0.0	0.3	0.4	33.0
Louisiana	1.2	1.2	1.3	4.2
Massachusetts	19.3	N.A.	11.5	
Michigan	4.0	4.5	3.2	−8.2
Minnesota	N.A.	N.A.	N.A.	--
New Jersey	6.9	6.6	9.2	17.6
New Mexico	2.7	2.9	3.0	5.4
New York	1.9	1.9	1.9	0.0
Oregon	N.A.	N.A.	N.A.	--
Rhode Island	0.2	0.2	0.2	0.0
Texas	5.2	4.5	4.5	−6.8
Utah	0.3	0.4	0.5	29.0
Washington	0.5	2.4	2.2	185.9
Wisconsin	1.4	1.6	1.3	−2.3

Source: Data compiled by the Education Finance Center, Education Commission of the States, 1981.

Table 9

State Funds for Special Education, 1975-76 to 1980-81 (in millions)

State	1975-76	1978-79	1979-80	1980-81 (est.)	Annual Percent Change FY78-FY80
Alabama	$28.3	$69.9	$83.5	N.A.	--
Alaska	9.3	17.0	20.0	$22.0	13.8%
Arizona	16.6	25.2	29.8	N.A.	--
Arkansas	6.7	12.0	14.0	23.8	43.3
California	207.3	N.A.	345.7	416.1	--
Colorado	22.6	31.6	34.3	37.4	8.8
Connecticut	30.0	44.9	53.2	N.A.	--
Delaware	16.9	26.1	29.7	N.A.	--
Florida	113.5	117.1	205.2	223.4	42.0
Georgia	43.1	65.9	68.5	N.A.	--
Hawaii	8.5	13.1	15.6	18.1	17.6
Idaho	9.3	19.0	21.0	22.0	7.6
Illinois	115.0	164.0	183.0	206.1	12.1
Indiana	16.5	32.9	39.3	42.4	13.7
Iowa	10.7	71.7	80.0	89.2	11.6
Kansas	9.4	18.4	22.5	25.9	18.7
Kentucky	20.4	53.9	65.1	--	--
Louisiana	31.4	69.2	83.6	95.0	17.2
Maine	4.3	5.9	12.4	14.1	61.9
Maryland	40.9	56.7	63.6	69.8	10.9
Massachusetts	93.0	158.6	--	--	--
Michigan	90.5	102.5	103.7	106.0	1.9
Minnesota	28.5	74.1	74.1	N.A.	--
Mississippi	8.1	16.1	34.9	48.6	77.9
Missouri	28.2	36.3	50.2	N.A.	--
Montana	13.4	24.3	28.4	N.A.	--
Nebraska	10.3	17.4	N.A.	N.A.	--
Nevada	6.2	10.5	11.0	12.4	8.7
New Hampshire	1.3	--	5.5	5.6	--
New Jersey	61.5	144.8	170.0	177.0	21.1
New Mexico	12.6	24.8	30.1	N.A.	--
New York	196.5	--	186.4	221.7	--
North Carolina	40.8	58.0	58.5	N.A.	--

Table 9 (cont.)

State Funds for Special Education,
1975-76 to 1980-81 (in millions)

State	1975-76	1978-79	1979-80	1980-81 (est.)	Annual Percent Change FY78-FY80
North Dakota	1.5	6.6	6.6	N.A.	--
Ohio	103.0	145.4	157.8	N.A.	--
Oklahoma	6.7	14.7	17.2	24.6	30.0
Oregon	5.2	11.1	11.1	N.A.	--
Pennsylvania	168.0	--	235.4	252.2	--
Rhode Island	N.A.	N.A.	N.A.	12.9	--
South Carolina	19.0	28.1	52.5	N.A.	--
South Dakota	0.3	1.0	1.5	2.0	41.5
Tennessee	33.5	48.8	58.1	N.A.	--
Texas	190.8	241.1	254.1	259.9	3.8
Utah	13.5	21.8	26.1	N.A.	--
Vermont	3.1	N.A.	9.2	10.6	--
Virginia	21.3	31.4	37.2	N.A.	--
Washington	33.2	43.5	44.3	52.7	10.4
West Virginia	4.6	6.0	6.6	N.A.	--
Wisconsin	37.7	77.5	91.6	95.3	11.2
Wyoming	5.0	9.8	11.3	N.A.	--

Sources: ESEA Title IV-B State Plan Amendments, U.S. Bureau of Education for the Handicapped (1975-76); and data compiled by the Education Finance Center, Education Commission of the States, 1981.

students are finding it difficult to maintain levels of support for auxiliary programs in the face of fiscal stringency and reductions in general education programs.

Trends in funding levels for the special student programs suggest a shift in the relative priorities designed to specific types of programs. Bilingual and compensatory education are receiving less support; special education continues to grow slightly. Popular support for the former programs appears weaker than for the latter, and the relevant civil rights guarantees and case law are fewer and less direct than for handicapped children. Students in need of compensatory education will not benefit from legal service mandates like Section 504 of the Rehabilitation Act, which bans discrimination against the handicapped or P.L. 94-142, which mandates that all handicapped children receive a free appropriate education. While language minority students have the benefit of the civil rights guarantees prescribed in the *Lau* decision and in other case law, considerable ambiguity exists regarding the type of instruction needed to remedy their English language deficiencies. Consequently, the states are likely to support programs serving educationally disadvantaged and language minority students with relatively less rigor than programs for handicapped students.

Heading into fiscal 1982, states face uncertainty about their budgets, because of past state tax decisions and radical changes in federal budget policy. State legislators will be making decisions not only about how much of their budgets will be devoted to education but on the mix of services funded by the state education dollar. Most likely, priority will be given to program areas where the state responsibility is most clearly defined — basic education and aid for special education programs.

Appendix

State Approaches to Funding Elementary/Secondary Education Programs, 1980-81 School Year

State	Compensatory Education	Bilingual Education	Special Education	Equalization Approach
Alabama			RB	MF
Alaska*			RB	MF
Arizona*	SB	SB	SB	MF
Arkansas			CB	MF
California	SB	SB	CB/SB	MF/GTB
Colorado		SB	CB	GTB
Connecticut*	SB	SB	CB	GTB
Delaware*	RB		RB	GTB
Florida*	SB	SB	SB	MF
Georgia*	SB		RB	MF
Hawaii	SB	SB	SB	
Idaho			RB/SB	MF
Illinois	SB	CB	RB/CB	MF/GTB
Indiana*	SB		SB	MF
Iowa			SB	MF
Kansas			RB	GTB
Kentucky*			RB	MF/GTB
Louisiana		RB	RB	MF
Maine			CB	MF/GTB
Maryland	SB		CB	MF
Massachusetts*	SB	SB	SB	MF
Michigan	SB	SB	CB	GTB
Minnesota	SB	SB	RB	MF/GTB
Mississippi			RB	MF
Missouri	SB		CB	MF/GTB
Montana			CB	MF/GTB
Nebraska	SB		CB/SB	MF
Nevada			RB	MF
New Hampshire			CB	MF
New Jersey	SB	SB	SB	GTB

BG = Block Grant *RB = Resource Based* *CB = Cost Based*
SB = Student Based *MF = Minimum Foundation*
GTB = Guaranteed Tax Base/Guaranteed Yield

**States with approaches to funding special student programs that are sensitive to equalizing expenditures or tax effort across school districts.*

State Approaches to Funding Elementary/Secondary Education Programs, 1980-81 School Year (continued)

State	Compensatory Education	Bilingual Education	Special Education	Equalization Approach
New Mexico*		SB	SB	MF
New York*	SB	SB	SB	GTB
North Carolina*	SB		RB	MF
North Dakota			CB	MF
Ohio	SB		RB/CB	MF/GTB
Oklahoma			RB	MF/GTB
Oregon			RB	MF
Pennsylvania	SB		CB	MF/GTB
Rhode Island	SB	CB	CB	GTB
South Carolina*			SB	MF
South Dakota	SB			MF
Tennessee*			SB	MF
Texas*	SB	RB	SB/RB	MF
Utah	SB	SB	SB	MF/GTB
Vermont			CB	
Virginia			CB/SB	MF
Washington	BG	BG	CB/BG	MF
West Virginia			SB	MF
Wisconsin	SB	CB	CB	GTB
Wyoming			SB	MF/GTB

BG = Block Grant *RB = Resource Based* *CB = Cost Based*
SB = Student Based *MF = Minimum Foundation*
GTB = Guaranteed Tax Base/Guaranteed Yield
**States with approaches to funding special student programs that are sensitive to equalizing expenditures or tax effort across school districts.*

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